

LEND-LEASE SETTLEMENT

Exchange of notes at Washington March 21, 1947, with text of agreement and schedule

Entered into force March 21, 1947

61 Stat. 2640; Treaties and Other
International Acts Series 1593

The Acting Secretary of State to the South African Minister

DEPARTMENT OF STATE

WASHINGTON

March 21, 1947

SIR:

Representatives of the Governments of the United States of America and the Union of South Africa have now finished their discussions concerning the settlement of Lend-Lease, Reciprocal Aid, Surplus War Property and Claims. Accord has been reached on all points as set forth in the accompanying document, which gives complete terms of the overall settlement accepted by both sides.

The Government of the United States of America hereby signifies its acceptance of the terms and conditions of settlement set forth in the accompanying document entitled "Agreement between the Government of the United States of America and the Government of the Union of South Africa on Settlement for Lend-Lease, Reciprocal Aid, Surplus War Property, and Claims" and suggests that this note and your reply indicating acceptance by the Government of the Union of South Africa be regarded as placing on record the agreement of our two Governments in this matter, to take effect on this date.

Accept, Sir, the renewed assurances of my highest consideration.

DEAN ACHESON

Acting Secretary of State

Enclosure:

Agreement between the Government of
the United States of America and the
Government of the Union of South Africa

The Honorable

H. T. ANDREWS,

Minister of the Union of South Africa.

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF
AMERICA AND THE GOVERNMENT OF THE UNION OF SOUTH AFRICA
ON SETTLEMENT FOR LEND-LEASE, RECIPROCAL AID, SURPLUS WAR
PROPERTY, AND CLAIMS

The Government of the United States of America and the Government of the Union of South Africa have reached agreement as set forth below regarding settlement for all lend-lease and reciprocal aid, for the surplus war property specified herein, and for the financial claims of each Government against the other arising as the result of World War II. This settlement is complete and final. Both Governments, in arriving at this settlement, have taken full cognizance of the benefits already received by them in the defeat of their common enemies, and of the aid furnished by each Government to the other in the course of the war. No further benefits will be sought as consideration for lend-lease or reciprocal aid, for the surplus war property specified herein, or for the settlement of claims or other obligations arising out of the war, except as herein specifically provided.

In reaching this agreement, the two Governments, pursuant to the general obligations assumed by them in the exchange of notes dated April 17, 1945,¹ in Washington, D.C., reaffirm their intention to cooperate in formulating a program of agreed action, open to participation by all countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers. To this end, the two governments have reached substantial mutual accord on agreements relating to air transportation, telecommunications and the avoidance of double estate and income taxation.

1. (a) The term "lend-lease article" as used in this Agreement means any article transferred by the Government of the United States of America under the Act of March 11, 1941;²

(i) to the Government of the Union of South Africa, or
(ii) to any other Government and retransferred to the Government of the Union of South Africa.

(b) The term "reciprocal aid article" as used in this Agreement means any article transferred by the Government of the Union of South Africa to the Government of the United States of America under reciprocal aid.

2. The net sum due from the Union of South Africa to the Government of the United States of America, over and above any payments heretofore made, for the settlement of lend-lease and reciprocal aid, for acquisition of surplus war property specified herein, and for settlement of net outstanding

¹ TIAS 1512, *ante*, p. 489.

² 55 Stat. 31.

claims covered by this Agreement, shall be One Hundred Million United States dollars, one-half of this sum being payable within thirty (30) days, the remaining half within one hundred eighty (180) days, from the date on which this Agreement becomes effective.

3. The Government of the Union of South Africa hereby acquires full title, without qualification as to disposition or use, to all lend-lease articles in the possession of the Government of the Union of South Africa, its agents or transferees, on the date of this Agreement, except vessels covered by paragraph 6 of this Agreement; provided that the Government of the Union of South Africa hereby agrees not to transfer to any third country, without the prior consent of the Government of the United States of America and without payment of any proceeds to the Government of the United States of America, any lend-lease article held by it in the categories of arms, ammunition and lethal weapons. The Government of the Union of South Africa, upon completion of the necessary formalities, shall receive full title, without qualification as to disposition or use, to items of property listed in the Schedule attached hereto.

4. The Government of the United States of America hereby acquires full title, without qualification as to disposition or use, to all reciprocal aid articles in the possession of the Government of the United States of America, its agents or transferees, on the date of this Agreement.

5. This Agreement does not cover articles of lend-lease origin, regardless of their present location, with respect to which the Government of the Union of South Africa has not acknowledged responsibility or accountability to the Government of the United States of America (even if such articles are now in the physical possession of the Government of the Union of South Africa, its agents or transferees) except as such articles may be listed in the Schedule attached hereto.

6. The Government of the Union of South Africa will, unless otherwise agreed, return as soon as possible after receiving notice of the request for return all vessels procured or constructed out of funds appropriated to the United States Navy Department or the United States Maritime Commission and transferred to it under lend-lease.

7. (a) The Government of the Union of South Africa hereby assumes responsibility for the settlement and payment of all claims against the Government of the United States of America or members of the United States Armed Forces arising from acts or omissions occurring before June 30, 1946, in the course of military duties of members of the United States Armed Forces in the Union of South Africa.

(b) All financial claims whatsoever of one Government against the other which (i) arose out of lend-lease or reciprocal aid, or (ii) otherwise arose on or after September 3, 1939 and prior to September 2, 1945, out of or incidental to the conduct of World War II are hereby waived, and neither Government will hereafter raise or pursue any such claims against the other.

The foregoing waiver shall not be applicable to claims of the Government of the United States of America against the Government of the Union of South Africa arising out of cash reimbursement orders for lend-lease articles filed by the Union of South Africa; however, such portion of the sum of \$100 million payable under paragraph 2 above as may be necessary to discharge the obligations of the Government of the Union of South Africa in connection with these existing arrangements shall be used for this purpose and no additional payment of any kind shall be required. The foregoing waiver shall also not be applicable to claims submitted in accordance with the practice whereby one Government espouses a claim of one of its nationals and presents it through diplomatic channels to the other Government.

8. In consideration of the mutual undertakings of this Agreement, the two Governments hereby waive all claims whatsoever of one Government against the other arising out of all disposals made by the War Stores Disposal Board of the Union of South Africa of articles title to which is acquired by the Union of South Africa under this Agreement.

9. In connection with property acquired under this Agreement, the Government of the Union of South Africa will observe and will call the attention of any transferee to the regulations of the United States Department of State which prohibit, except in certain cases, the importation into the United States of America of surplus property sold in foreign areas.

10. Both Governments, when they dispose of articles acquired pursuant to the terms of this Agreement, will use their best endeavors to avoid discrimination against the legitimate interests of the manufacturers or producers of such articles, or their agents or distributors, in each country.

11. This Agreement shall take effect on the date of its acceptance by both Governments.

SCHEDULE

Property to which the Union of South Africa shall receive full title on a "where is, as is" basis upon completion of the necessary formalities of transfer.

A. This category comprises property located in the Union of South Africa noted as "B L/L Material Held by U. K. Government" on a list headed "Lend Lease Material on hand in South Africa which Union Government is prepared to consider purchasing." handed the United States negotiators by the South African negotiators on August 7, 1946 and consists of items thereon as follows:

- (vii) 25 C-47 Aircraft.
- (viii) 25 Vega P. V. I. Aircraft.
- (ix) 120 Harvard Aircraft.
- (x) 60 Spare P. & W. Engines for Harvard Aircraft.
- (xi) Spares to maintain 80 Harvards and their engines.
- (xii) 60 P. & W. Engines (R 1830-90 C) and American Propeller and instrument equipment installed in 15 Sunderland Aircraft.
- (xiii) 14 P. & W. Engines R 1830-90 C (spares for Sunderland).

B. This category comprises property consent to the retransfer of which from U.K. Military Holdings in Italy to the South African Forces in Italy is given in letter from the Lend Lease Administrator, State Department to British Army Staff dated January 3, 1947 and consists of property listed below. It should be noted that the consent to retransfer of January 3, 1947 specifically does not cover any items which might no longer have been available at the time and that, therefore, the quantities listed below are subject to revision to that effect.

Tank Sherman 1BM4 (105mm)	15
" " 11A M4A1 (76mm)	67
" " 1C M4 (17 pr)	15
" ARV T/5 M32B1	1
GMC 3-in M10 (SP)	24
Tank Amn (to match the above)	
76-mm H.E.	89,000
76-mm A.P.	34,500
76-mm Smoke	13,500
105-mm H.E.	20,000
105-mm A.P.	7,500
105-mm Smoke	3,000
Car 5 cwt 4 x 4	2
Trailer 5 cwt 2 wh Amphibian GS	2
Tractors Gun 5.5 in (Mack)	9
Tractors Gun 3.7 in H.A.A. (Mack)	2
Lorry 3 ton 4/6 wh Machy GMC	3
Lorry 5 ton 4/6 wh Tech Machy Shop GMC	2
Lorry 3 ton 4/6 wh Instruments Wksp GMC	1
Lorry 3 ton 4/6 wh Welding GMC	1
Lorry 3 ton 4/6 wh Machy type Z GMC	2
6 x 6 Wrecker B/D Ward la France	6
Tractor tracked D4 Bulldozer Caterpillar	4
Tractor tracked D7 Bulldozer Caterpillar	1
Tractor tracked D8 Caterpillar	2
Tractor 6 x 4 B/D Diamond T	4
Tractor 6 x 4 B/D Mack	5
Tractor 6 x 6 B/D Diamond T	1
Tptry 20 ton 6 x 4-4 Semi trailer Federal	2
Tractor 6 x 4 for 40 ton Tptry trailer Diamond T	8
Trailer 40 ton 24 wh Tptry Rogers	2
Compressors Ingersoll Rand K160 Truck Mtd	2
" " " " Portable	12
" " " " K210	2
" " " " Le Roi K160 Truck Mtd	6
" " " " Portable	1
" " " " Chicago Pneumatic K210 Truck Mtd	6
" " " " K500 Portable	2
" " " " Davey D160 Portable	7
Compressor Davey CD 14 Portable	1
Compressors Gardner Denver BUG4010 Stationary	1
Compressors Curtiss 50 cu/ft/min approx Stationary	3
" " " " Curtiss 210 cu/ft/min approx Stationary	1
" " " " Sullivan 160 cu/ft/min Stationary	1
Bulldozers with PCU Caterpillar D8	2
" " " " " D7	3
" " " " " D6	3
" " " " " Hysterwinch Caterpillar D4	1
" " " " " Cable operated Caterpillar D7	2
" " " " " W/out PCU Caterpillar D6	1
" " " " " D4	2
Angledozer with PCU Caterpillar D8	6
" " " " " D7	3
" " " " " D6	3
" " " " " D4	3

Angledozer with Hyster winch Caterpillar D8	1
“ W/out PCU Caterpillar D8	1
“ “ “ “ “ D4	5
Tractors Solo Caterpillar D8	1
“ “ “ “ “ D4	3
“ With PCU Caterpillar D8	4
“ “ “ “ “ D7	5
Tptr Tractors wh M/30 Caterpillar	1
Tptr Tractors Diamond T	4
Tptr Tractors Federal	4
Tptr Tractors Mack 10 ton	4
Tptr Tractors Mack 6 ton	1
Trailers Rogers 40 ton	6
Trailers Rogers 30 ton	4
Trailers Rogers 10 ton	1
Trailers Federal	4
Trailers 8 wh Tech Mob Wksp Freuhauf	1
Trailers Machy Freuhauf	1
Trailers 8 wh Stores Freuhauf	2
Truck 6 x 6 Tech Mob Wksp USA GMC	1
Excavators Michigan Truck Mtd	2
Excavators Quickway Truck Mtd	1
Motor Graders Caterpillar 12	9
Motor Graders Caterpillar Auto 112	6
Motor Graders Galion 101 Pet	1
Graders Caterpillar 66 drawn blade	5
Graders Adams drawn blade	1
Crane D4 Caterpillar	1
Crane Truck Mtd type “E” Quickway	1
Crane T61 Michigan	1
Crane WH P and H 8 ton	1
Scrapers 8 cu yd Tourneau Carryall	3
Scrapers 6 cu yd Tourneau Carryall	4
Rooters Le Tourneau S8	1
“ “ “ “ “ K30	2
Rippers Le Tourneau	3
Timte Trailer with following accessories for Quickway Crane,	
Clamshell and Dragline	2
Machine Spray Painting Curtiss	4
Plant Spray Painting Aerograph	2
Welding Plants Electric Hobart	17
Welding Plants Dual Arc	2
Welding Plants Electric Portable	4
Welding Plants Electric Arc	1
Pillar Drilling Machine Pollard Corna	1
Milling Machine Milwaukee	1
Grinder Pedestal	1
Furnace Heat Treatment	1
Machine Drilling Sets Pollard	1
Generator Set 50 Kva Caterpillar D8/D4	4
Pipe Screwing Machine Osler	1
Press Straightening Machine Weaver	1
Bandsaw	1
Generating Sets “Buddha” 31.2 kva 220/380v	2
Rifle No. 4 MK-1 “T” Snipers	60

C. This category comprises property shipped to South Africa under requisition filed by the British Admiralty Delegation and consists of the following:

11 Miami 63 ft. Aircraft Rescue Boats

The Government of the Union of South Africa shall offer these boats for return to the Government of the United States after which title shall be

transferred to the Union of South Africa in accordance with procedures for the disposal of surplus property.

The South African Minister to the Acting Secretary of State

LEGATION OF THE
UNION OF SOUTH AFRICA
WASHINGTON, D.C.
21st March, 1947

SIR,

I have the honour to acknowledge the receipt of your Note of today's date concerning the discussions which have taken place between representatives of our two Governments on the subject of the settlement of Lend-Lease and related matters, and setting forth terms and conditions which are acceptable to the Government of the United States of America in a document attached thereto entitled, "Agreement between the Government of the United States of America and the Government of the Union of South Africa on Settlement for Lend-Lease, Reciprocal Aid, Surplus War Property, and Claims".

At the direction of my Government, I have the honour to state that the terms and conditions contained in the document which accompanied your Note are acceptable to the Government of the Union of South Africa.

The Government of the Union of South Africa agrees that your Note and this reply shall be regarded as placing on record the Agreement of our two Governments in this matter, and that the Agreement shall take effect on this date.

Accept, Sir, the renewed assurances of my highest consideration.

H. T. ANDREWS

The Honourable

DEAN ACHESON,

*Acting Secretary of State
of the United States of America,
Department of State,
Washington, D.C.*